COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE DEPOSIT)
POLICY OF LEWISPORT TELEPHONE) CASE NO. 90-262
COMPANY)

ORDER

On September 17, 1990, the Commission issued an Order establishing this investigation based upon information indicating that Lewisport's deposit policy was in violation of KRS 278.460. This statute mandates that public utilities pay interest at 6 percent annually on amounts required to be deposited by patrons. deposit policy violations, which included a failure to pay interest on customer deposits, were discovered during a service inspection conducted on May 30-31, 1990. The investigation report was forwarded to Lewisport on June 15, 1990. On August 6, 1990, the Commission received a response wherein Lewisport identified revisions it had made to its deposit procedures as a result of the report. Lewisport stated that it believed the revisions brought into full compliance with KRS 278.460. On August 9, 1990, Lewisport filed tariff sheets incorporating the new policies into its rules and regulations.

The Commission's September 17, 1990 Order required that Lewisport provide information to document its corrective actions relating to deposit interest and refunds in order to show that

customers have been refunded the amount of the interest owed. This information was filed October 16, 1990 and verifies that Lewisport has accrued and paid interest on deposits held in the past and is now accruing the statutory required interest on current deposits.

The Commission, upon review of this information finds that Lewisport is now in full compliance with KRS 278.460 as well as the Commission's deposit decisions in Case No. 89-057.

IT IS THEREFORE ORDERED that this case be and hereby is dismissed.

Done at Frankfort, Kentucky, this 11th day of January, 1991.

PUBLIC SERVICE COMMISSION

Chairman

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Commissioner

ATTEST:

Secutive Director

Case No. 89-057, Investigation Into the Customer Deposit Policy of Kentucky Power Company.